



Office of Internal Audit

Monthly Internal Control Tip

Gain an understanding of detective control activities.

Internal control is broadly defined, “as a process, effected by an entity's management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives.” Agency and/or departmental objectives will vary depending on the role of the agency or department within Louisville Metro Government. Objectives are detailed in the applicable departmental Strategic Plan along with action steps to ensure successful completion of objectives. As noted in the [June Monthly Control Tip](#) control activities are actions taken to eliminate or reduce risk that could threaten the achievement of objectives. The two key types of control activities are preventive and detective. Detective control activities are explored below:

Detective control activities work in compliment to preventive controls. These controls identify problems that have occurred. Detective controls also help to verify that preventive controls are functioning correctly. While preventive controls are preferred, detective controls are necessary to provide evidence of an effective internal control system. Below are common detective internal controls which could assist you in achieving your objectives:

- [Reconciliations](#)
- [Cash Counts](#)
- Comparison of actual and budgeted expenditures
- Periodic review of account activity (i.e. cash, payroll records, etc.)
- [Periodic Physical Inventories](#)
- Performance Reviews
- Video Surveillance

*Click the detective control activity to review the related Monthly Internal Control Tip.

This tip is brought to you by the Office of Internal Audit. Previous Monthly Internal Control Tips can be found on the Office of Internal Audit’s webpage, located [here](#).